

ALL-STATE LEGAL®

EXHIBIT

C

Harvey Rothstein

Page 1

1 UNITED STATES DISTRICT COURT
2 FOR THE DISTRICT OF MARYLAND
3 NORTHERN DIVISION
4

5 JAIME GARCIA, et al., :
6 Plaintiffs, :
7 v. : Case No. B-01-103
8 RONALD D. KIRSTEIN, et al., :
9 Defendant. :
10 : Pages 1 - 52
11
12
13

14 Deposition of HARVEY ROTHSTEIN
15 Baltimore, Maryland
16 Friday, January 9, 2004
17
18

COPY

19
20
21 Reported by: George W. Tudor, RPR

Harvey Rothstein

Page 2

1

2

3

4

5

January 9, 2004

6

2:00 p.m.

7

8

9

Deposition of Harvey Rothstein, held at

10

11

111 South Calvert Street

12

Suite 1400

13

Baltimore, Maryland 21202

14

15

Pursuant to notice, before George W. Tudor, RPR,

16

a Notary Public of the State of Maryland.

17

18

19

20

21

Harvey Rothstein

Page 3

1 APPEARANCES:

2

3 Albright, Brown & Goertemiller, LLC

4 David F. Albright, Esq.

5 For the Plaintiffs

6 120 East Baltimore Street

7 Suite 2150

8 Baltimore, Maryland 21202

9 (410) 224-0350

10 BY: David F. Albright, Esq.

11

12 Niles, Barton & Wilmer, LLP

13 For Defendants Kirstein and Rothstein

14 111 South Calvert Street

15 Suite 1400

16 Baltimore, Maryland 21202

17 (410) 783-6300

18 BY: Craig D. Roswell, Esq.

19

20

21

Harvey Rothstein

Page 4

1 APPEARANCES: (Continued)

2

3 Via Telephone:

4 Salzer, Gurvitch, Rabin & Obecný

5 For Defendant Habeck

6 4416 East-West Highway

7 4th Floor

8 Bethesda, Maryland 20814

9 (301) 986-9800

10 BY: Patrick J. Kearney, Esq.

11

12 PRESENT: Ronald D. Kirstein

13

14

15

16

17

18

19

20

21

Harvey Rothstein

Page 5

1 C O N T E N T S

2 EXAMINATION OF HARVEY ROTHSTEIN

3 BY: PAGE

4 MR. ALBRIGHT: 5

5

6

7 EXHIBITS DESCRIPTION PAGE

8 No. 16 Letter with attachments 10

9 No. 17 Letter 22

10 No. 18 Letter 25

11 No. 19 Letter 27

12 No. 20 Memo 29

13 No. 21 Letter 34

14 No. 22 Letter 39

15 No. 23 Letter 41

16 No. 24 Letter 47

17

18

19

20

21

Harvey Rothstein

Page 6

1 Thereupon,

2 HARVEY ROTHSTEIN,

3 a Witness, called for oral examination by counsel
4 for the Plaintiff, having been duly sworn by the
5 Notary Public, was examined and testified as
6 follows:

7 EXAMINATION BY COUNSEL FOR THE PLAINTIFF
8 BY MR. ALBRIGHT:

9 Q. State your name for the record.

10 A. Harvey Rothstein.

11 Q. Mr. Rothstein --

12 A. Yes, sir.

13 Q. -- are you familiar with the premises
14 at 6441, I think it's General Green Way? These
15 are the facilities that -- I think it's Green
16 Associates are the landlord of?

17 A. Do you know whether that was the plant
18 or the place where they did the product
19 development?

20 Q. I do not know. I only know that there
21 is a gentleman that you dealt with named

Harvey Rothstein

Page 41

1 Q. And was that done without consultation
2 with Mr. Garcia?

3 A. No, I told him to talk to Jim, that I
4 had no problem with it.

5 (Whereupon, letter marked Plaintiff's
6 Deposition Exhibit No. P-23.)

7 BY MR. ALBRIGHT:

8 Q. I show you P-23.

9 A. Okay.

10 Q. Do you recall P-23?

11 A. Just the part about vaguely remembering
12 that he and Jim were playing stupid, childish
13 games with each other, and this was part of it.

14 Q. Well, did you make any investigation as
15 to how the account had been disabled? Assuming
16 that it had been disabled.

17 A. No, sir. I don't even know what's true
18 and not true. I couldn't tell you.

19 Q. Do you know of anybody that went to
20 Randy McDonald's house while he worked on the
21 computer at night?

Jan-06-98 02:03P Chef Garcia Mexican Foods 703 451-8917

P.01

Garcia
Ivan
Ron

To: Harvey Rothstein

From: Randy McDonald

Date: January 6, 1998

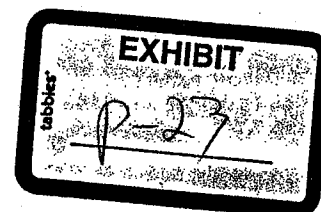
Re: None

This morning at approximately 11:00 I attempted to log into the accounting system. My account had been disabled. This is the second time in two weeks this has been done. I think what is happening; Jim is disabling my password at night and enabling it in the morning when he arrives. This morning I think he forgot. At times I do work from home, because I am able to work in peace and quiet without interruptions. I will test this theory this evening. There is no reason why my password should be disabled. I will follow-up with my findings tomorrow.

Jim has asked me to recalculate brokerage fees according to the agreement signed in June of 1993. There has been two agreements since that one was signed. He is claiming since he hasn't signed the agreement it is not valid. This includes the agreement presented to the board last February. He is using a clause to reduce the liability he has to Impact Sales, but he won't recalculate the percentages, which will tilt the scale in Impact Sales favor. I argued this point, also stated the board had approved the brokerage terms superseding the prior agreement. He has told me I was wrong and to recalculate it according to his instructions. I am bringing this to your attention, because if it becomes an issue I would have spoken about it before hand.

I talked to Ian yesterday concerning the help needed to complete the month-end, yearend closing and budget for 1998. I would need someone to help with the clerical part of my task. This is very important and it would take me more time to do the research needed to complete my objectives.

Also this person would help implement better controls, modify policies and type procedures. The estimated time to complete these objectives is about three months. I feel by the end of the first quarter (with Ian's help) we would have the necessary controls put in place that will turn this company around.



Jan-06-98 02:03P Chef Garcia Mexican Foods 703 451-8917

P.02

k2Sk2S

FIRST MARYLAND

Balance Summary

Reported As of 05JAN98

Printed 06JAN98 08:38 -- Page

1

S ONE DAY FLOAT 2 PLUS DAYS FLT CLOSING LEDGER CLOSING COLLECT TOTAL CREDITS TOTAL DEBIT

----- Bank: 052000113 -----

19123297

Operating	33,920.40	15,339.24	14,406.94	5,306.59
2,085.45	16,495.71			

19123300

Payroll	0.00	0.00	0.00	0.00
0.00	0.00			

----- Bank Totals -----

2,085.45	33,920.40	15,339.24	14,406.94	5,306.59
	16,495.71			

k0S

Jan-06-98 02:03P Chef Garcia Mexican Foods 703 451-8917

P.03

~~k25k2S~~

FIRST MARYLAND

Transaction Statement

Reported As of 05JAN98

Printed 06JAN98 08:38 -- Page

1

Bank: 052000113 19123297 - Operating

** Credits **

Credit Amount	Description	Serial Number	Reference
14,406.94	DEPOSIT	000000000000	018894490

14,406.94 1 Credits Printed

** Debits **

Debit Amount	Description	Serial Number	Reference
5,184.20	CHECK	000000000086	014336957
86.16	CHECK	00000096441	014221896
36.23	CHECK	000000000089	014299695

5,306.59 3 Debits Printed

Jan-06-98 02:04P Chef Garcia Mexican Foods 703 451-8917

P.04

Bank: 052000113 19123300 - Payroll

*** No data for account ***

kOS